

## Message Text

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ACTION IO-14

INFO OCT-01 ARA-10 ISO-00 MMO-01 AID-05 CIAE-00  
COME-00 EB-08 FRB-03 INR-10 NSAE-00 ICA-11  
TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01  
NSC-05 SS-15 STR-07 CEA-01 AGRE-00 OES-07 L-03  
AF-10 HA-05 /129 W  
-----061837 081713Z /45

R 081256Z APR 78  
FM AMEMBASSY BRASILIA  
TO SECSTATE WASHDC 7019  
INFO USMISSION GENEVA  
AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO

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EO 11652: N/A  
TAGS: ECRP, EAID, UNDP, BR  
SUBJ: CERP 0008: EVALUATION OF UN ASSISTANCE PROGRAMS: BRAZIL

REFS: (A) 77 STATE A-2507, (B) 76 BRASILIA 3979, (C) 77  
BRASILIA 3711, (D) 77 BRASILIA 4896, (E) BRASILIA 0028

1. EMBASSY BELIEVES THAT 1976 CERP 0008 REPORT (REF B)  
REMAINS ESSENTIALLY VALID. REFS (C) AND (D) ALSO INCLUDE  
COMMENTS ON UNDP ACTIVITIES IN BRAZIL RELEVANT TO CERP 0008  
REPORT. THIS TELEGRAM WILL THEREFORE CONCENTRATE ON QUESTIONS  
NEW TO CURRENT REVISED CERP 0008 (REF A) AND THOSE NOT FULLY  
COVERED IN REFS (B), (C), AND (D).

2. OVERVIEW OF UNDP SYSTEM IN BRAZIL. ALL UN ASSISTANCE  
IN BRAZIL IS CARRIED OUT UNDER THE UMBRELLA OF THE UNDP.  
THIS IS THE RESULT OF BOTH THE CONSENSUS OF 1970 REGARDING  
THE ROLE OF THE UNDP RESREP AND OF A CONSCIOUS GOB POLICY  
DECISION TO CENTRALIZE EXTERNAL ASSISTANCE INTERFACE IN AS  
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FEW ORGANIZATIONS AS POSSIBLE. GOB RELATIONS WITH UNDP ARE  
CONDUCTED EXCLUSIVELY THROUGH SUBIN (INTERNATIONAL ECONOMIC  
AND TECHNICAL COOPERATION DIVISION OF THE MINISTRY OF PLANNING)  
AND DECOP (TECHNICAL COOPERATION DIVISION OF THE MINISTRY OF  
FOREIGN AFFAIRS). DECOP'S ROLE IS THAT OF ACTUALLY NEGOTIATING  
WITH UNDP, WHILE THE FORMULATION OF PROJECT PROPOSALS AND THE  
COORDINATION OF UNDP ACTIVITIES FALLS TO SUBIN. THERE IS NO

DOUBT THAT SUBIN IS FAR THE MORE POWERFUL GOB AGENCY IN MULTILATERAL ASSISTANCE AFFAIRS, WHEREAS DECOP IS MORE IMPORTANT IN BILATERAL ASSISTANCE PROGRAMS. UNDP AND SUBIN HAVE WEEKLY MEETINGS TO REVIEW AND EVALUTATE THE IMPLEMENTATION OF THE COUNTRY PROGRAM.

3. THE RESREP APPEARS TO BE FIRMLY ESTABLISHED AS THE FOCAL POINT FOR UN ASSISTANCE, AS MENTIONED ABOVE. WHILE THIS SITUATION IS UNDOUBTEDLY THE RESULT OF POLICY DECISIONS, THE ASST. RESREP COMMENTED THAT HE THOUGHT THE STRONG PERSONALITY OF THE RESREP (IN BRAZIL FOR 6 YEARS NOW) WAS ALSO INSTRUMENTAL IN ESTABLISHING THE OFFICE OF THE RESREP AS THE CENTER FOR UN ASSISTANCE PROGRAMS IN BRAZIL.

4. DECOP OFFICIALS WERE UNABLE TO CITE AN EXACT PERCENTAGE OF BRAZIL'S TOTAL EXTERNAL ASSIATNCE PROVIDED THROUGH UNDP, BUT THEY ESTIMATED THAT IT WAS ON THE ORDER OF 40 PERCENT. OFFICIALS DID SAY, HOWEVER, THAT THE UNDP PROGRAM WAS LARGER THAN ANY INDIVIDUAL BILATERAL PROGRAM CURRENTLY OPERATING IN BRAZIL (FRG AND FRANCE HAVE THE LARGEST BILATERAL PROGRAMS AT PRESENT).

5. THE UNDP COUNTRY PROGRAM. BRAZIL'S SECOND NATIONAL DEVELOPMENT PLAN (II PND) SETS FORTH BRAZIL'S DEVELOPMENT OBJECTIVES AND PRIORITIES. THE UNDP COUNTRY PROGRAM FOR BRAZIL IS ESSENTIALLY A STRANSLATION OF CERTAIN PND OBJECTIVES INTO TECHNICAL ASSISTANCE PROGRAMS. IN ACCORDANCE WITH THE LIMITED OFFICIAL USE

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PND, THE UNDP COUNTRY PROGRAM EMPHASIZES TECHNOLOGY TRANSFER, TRAINING OF SCIENTIFIC AND TECHNICAL PERSONNEL AND INSTITUTION-BUILDING IN SCIENTIFIC AND TECHNICAL AREAS, AND HUMAN RESOURCES DEVELOPMENT. THE 1972-76 AND 1977-81 COUNTRY PROGRAM ARE VERY SIMILAR IN REGARD TO PROGRAM EMPHASIS, WITH THE MAJOR NOTABLE CHANGE BETWEEN THE PROGRAM CYCLES BEING A GREATER EMPHASIS ON LARGE-AND MEDIUM-SCALE PROJECTS DURING THE CURRENT CYCLE.

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HA-05 /129 W

-----062126 081713Z /45

R 081256Z APR 78

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6. EXECUTION OF THE PROGRAM. IN GENERAL BOTH UNDP AND SUBIN ARE PLEASED WITH THE EXECUTION OF THE COUNTRY PROGRAM. THE EXECUTION OF THE PROGRAM HAS RUN INTO ONLY TWO PROBLEMS WORTH MENTIONING. FIRST HAS BEEN SOME "SLIPPAGE" IN PROGRAM IMPLEMENTATION DUE TO THE DIFFICULTY UNDP HAS HAD IN RECRUITING THE HIGHLY-SKILLED PERSONNEL NEEDED FOR THE SCIENCE AND TECHNOLOGY PROJECTS (68 PERCENT OF UNDP FUNDS IN BRAZIL GO FOR THE EXPENSES OF SCIENTIFIC AND TECHNICAL PERSONNEL). SECOND, THE EXECUTION OF THE COUNTRY PROGRAM HAS OCCASIONALLY RUN INTO DIFFICULTIES CAUSED BY GOB BUDGET RESTRAINTS IMPOSED ON GOB COUNTERPART AGENCIES. ASST. RESREP MENTIONED ONE PROJECT, FOR INSTANCE, WHICH REQUIRED A GOB AGENCY TO HIRE A LARGE NUMBER OF ENGINEERS FOR WORK IN A REMOTE PART OF THE COUNTRY. GOB PUBLIC SECTOR WAGE RESTRAINTS LIMITED SALARY THAT COULD BE PAID TO 8,000 CRUZEIROS PER MONTH (APPROX. \$550) WHICH WAS NOT SUFFICIENTLY APPEALING TO ATTRACT AN ADEQUATE NUMBER OF QUALIFIED CANDIDATES. PROBLEMS OF THIS NATURE HAVE BEEN SOLVED BY ESTABLISHING QUASI-AUTONOMOUS PROJECT AGENCIES UNDER THE UNDP WHICH ACCEPT PROJECT FUNDS BUT LIMITED OFFICIAL USE

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ARE NOT LIMITED BY GOB SALARY RESTRAINTS.

7. FINANCES. THE 1976 JOINT ATTEMPT BY THE GOB AND RESREP TO RAISE THE IPF FIGURE FOR BRAZIL FROM \$30MILLION TO \$42 MILLION (REF B) WAS NOT SUCCESSFUL. HOWEVER, GOB ENTHUSIASM FOR UNDP PROGRAMS IS SO GREAT THAT THE GOB AND ITS AGENCIES HAVE MADE AVAILABLE SUFFICIENT FUNDS TO DE FACTO RAISE THE IPF TO AROUND \$42 MILLION. IN 1978, FOR EXAMPLE, THE GOB HAS BUDGETED 52.5 MILLION CRUZEIROS (\$2.6 MILLION EQUIVALENT) FOR UNDP PROJECTS, AND INDIVIDUAL GOB AGENCIES HAVE ON OCCASION REPROGRAMMED IFI DOLLAR LOANS TO MAINTAIN OR INCREASE COUNTRY PROGRAM PROJECTS. RATIO OF UN-PROVIDED FUNDS TO LOCAL CONTRIBUTION FOR COUNTRY PROGRAM PROJECTS IS SET AT 1:8.5 IN THE UNDP/GOB AGREEMENT FOR THE 1977-81 CYCLE.

8. TECHNICAL COOPERATION AMONG DEVELOPED COUNTRY (TCDC)  
THIS AREA IS SEEN BY BOTH THE UNDP AND THE GOB AS ONE IN WHICH  
BRAZIL CAN MAKE A SIGNIFICANT CONTRIBUTION. ASST. RESREP ASID  
THE UNDP WAS PLANNING A DEMONSTRATION PROJECT USING UNDP-  
DEVELOPED TRAINING CENTERS IN BRAZIL FOR TRAINING AFRICAN AND  
LATIN AMERICAN NATIONALS. SPECIFIC AREAS BEING CONSIDERED  
FOR PILOT PORJECTS ARE WHEAT DISEASE CONTROL, MERCHANT MARINE  
SEAMAN TRAINING, VOCATIONAL EDUCATION TRAINING, AND HUMAN  
RESOURCES DEVELOPMENT TRAINING. ACCORDING TO ASST. RESREP,  
BRAZIL HAS AGREED TO PORVIDE UP TO \$1.6 MILLION EQUIVALENT FOR  
LOCAL EXPENSES, AND BRAZIL WILL THUS IN EFFECT BECOME AN  
AID DONOR.

9. DECOP IS ALSO PURSUING TCDC ON BILATERAL BASIS, BUT HAS ONLY  
BEEN DOING SO FOR 2 OR 3 YEARS. ACCORDING TO SUBIN OFFICIAL,  
TCDC HAS SO FAR MAINLY INVOLVED TRAINING, AND OFFICIAL ESTIMATED  
THAT PERHAPS 1,000 AFRICANS AND LATIN AMERICANS HAD BEEN TRAINED  
OR HAD STUDIED IN BRAZIL UNDER TCDC ARRANGEMENT. TCDC ACTIVITY  
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BY BRAZIL WILL UNDOUBTEDLY INCREASE AS SUBIN AND DECOP GAIN  
EXPERIENCE IN MATCHING NEEDS IN OTHER LDCS WITH BRAZILIAN  
RESOURCES (REF E).

10. GRADUATION FROM UNDP. THE GOB STRONGLY RESISTS THE PROPOSAL  
THAT UNDP SHOULD PHASE-OUT IN BRAZIL AS BRAZIL'S PER CAPITA  
GDP CONTINUES TO INCREASE. DECOP OFFICIALS STRESSED THAT "BRAZIL  
IS A CONTINENT-SIZED COUNTRY WITH CONTINENT-SIZE PROBLEMS"  
THAT WOULD PERSIST DESPITE GROWING GDP, AND THEY ALSO POINTED  
OUT THAT THERE ARE REGIONS IN BRAZIL THAT WILL BE BOTH RELATIVELY  
AND ABSOLUTELY UNDERDEVELOPED FOR SOME YEARS

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TO COME. OFFICIALS RECOGNIZED THAT WITH LIMITED RESOURCES AVAILABLE, UNDP HAD TO GIVE PRIMARY ATTENTION TO LLDCS BUT ARGUED THAT THIS ATTENTION SHOULD NOT BE EXCLUSIVE. ON THIS POINT SUBIN OFFICIAL STATED THAT, OF COURSE, BRAZIL AN PREFERENCE WAS FOR UNDP ACTIVITIES IN BRAZIL TO INCREASE RATHER THAN DECREASEN BUT BRAZIL REATIZED THAT UNDP WAS UNDER GREAT PRESSURE TO DIRECT RESOURCES TO COUNTRIES WITH GREATEST NEED. LIKE HIS DECOP COUNTERPARTS, HE MENTIONED THAT THERE WILL CONTINUE TO BE REGIONS IN BRAZIL THAT SHOULD QUALIFY FOR UN ASSISTANCE UNDER ALMOST ANY CRITERIA OF NEED. HE SAID THAT BRAZIL HWAS PREPARING FOR THE EVENTUALITY OF UNDP PHASE-OUT BY STARTING TO CATALOG ALL TECHNICAT ASSISTANCE RECEIVED BY BRAZIL IN THE LAST 10 YEARS SO THAT FORMER "RECIPIENT" AGENCIES COULD IN THE FUTURE ACT AS "DONORS" OF TECHNICAL ASSISTANCE TO OTHER BRAZILIAN ENTITIES.

11. ASST. RESREP FELT MUCH THE SAME AS BRAZILIANS ON THIS POINT. HE EMPHASIZED THE IMPORTANCE OF UNDP AS A "CATALYST AND "MULTIPLIER" FOR ASSISTANCE, AND POINTED OUT THAT THERE WERE LIMITED OFFICIAL USE

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SECTORS IN BRAZIL --NORTHEAST AGRICULTURE, FOR INSTANCE -- WHERE BRAZIL WOULD CONTINUE TO NEED ASSISTANCE. HE ALSO POINTED TO UNDP PRESENCE AS BENEFICIAT TO THE DEVELOPMENT OF TCDC. HOWEVER, BOTH BRAZILIANS AND ASST. RESREP APPEARED TO RECOGNIZE THE INEVITABILITY OF OA DECREASE IN UNDP RESOURCES FOR BRAZIL AFTER THE END OF THE CURRENT COUNTRY PROGRAM IN 19 1.

12. WOMEN IN DEVELOPMENT. ASST. RESREP SAID THAT THERE WERE

NO PROJECTS IN THE CURRENT COUNTRY PROGRAM WHICH WERE SPECIFICALLY DIRECTED TOWARD WOMEN AS BENEFICIARIES OF OR PARTICIPANTS IN THE DEVELOPMENT PROCESS. HE FURTHER COMMENTED THAT THE GOB RESISTED UNDP ATTEMPTS TO STRUCTURE PROJECTS ATONG THESE LINES. HE NOTED THAT TO THE EXTENT THAT THE UNDP COUNTRY PROGRAM EMPHASIZED HIMAN RESOURCES PLANNING, WOMENT WOULD BENEFIT INDIRECTLY. HOWEVER, THE HEAVY CONCENTRATION OF UNDP PROJECTS IN THE SCIENCE AND TECHNOLOGY AREAS WOULD UNINTENTIONALLY

TEND TO DISCRIMINATE AGAINST WOMEN AS PARTICIPANTS AS THEY  
GENERALLY ARE NOT CONCENTRATED IN THESE AREAS, NOR IN MOST CASES  
WOULD WOMENT RECEIVE DIRECT BENEFITS FROM THESE PROJECTS.  
IN THIS REGARD, THOUGH, IT SHOULD BE EMPHASIZED THAT THE THRUST  
OF UNDP PROJECTS IN BRAZIL IN GENERAL IS NOT BENEFITTING SPECIFIC  
GROUPS OF PEOPLE BUT RATHER IS INSTITUTION-  
BUILDING IN NATURE.  
JOHNSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CERP 0008, ECONOMIC REPORTS, FOREIGN ASSISTANCE PROGRAMS, INTERNATIONAL ORGANIZATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRASIL02851  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780152-0821  
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**From:** BRASILIA  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
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**Reference:** 77 STATE A-2507, 76 BRASILIA 3979  
**Retention:** 0  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
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**Status:** NATIVE  
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**TAGS:** ECRP, EAID, PORG, BR, US, UNDP  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/02b5aab3-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014